

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2001-442-G- ORDER NO. 2001-1067

NOVEMBER 21, 2001

IN RE: Application of Piedmont Natural Gas)
 Company for Approval of Special Accounting)
 Treatment of Certain Costs Related to)
 Uncollectible Accounts.)

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This matter comes before the Public Service Commission of South Carolina (the Commission) on the October 16, 2001 request from Piedmont Natural Gas Company (Piedmont or the Company) for approval of special accounting treatment of certain costs related to uncollectible accounts. Commission approval of this request would permit it to record a \$703,126 charge to its deferred gas cost account, which represents the difference between the net amount of residential accounts actually written off as of August 31, 2001 and the amount of residential account write-offs reflected in Piedmont's last general rate case. Any subsequent collections of these write-off accounts will be recorded in the deferred account as offsets against the \$703,126 charge. Piedmont proposes that the uncollectible be directly assigned to the residential rate schedules in a later proceeding, such as the Company's 2002 annual review of gas costs. The Company estimates that the resulting increment on residential rates would be no more than 1 cent per therm and could be considerably less if the Company is successful in recovering uncollectible accounts from customers.

Pursuant to the instructions of the Commission's Executive Director, Piedmont published a Notice of Filing one time in a newspaper of General Circulation, and submitted proof that the Notice was published. No Protests were received. A Petition to Intervene was received from the Consumer Advocate for the State of South Carolina (the Consumer Advocate).

Discussions were held during the pendency of the request. It appears to this Commission that we should grant the request for special accounting treatment as subsequently modified, which will include \$590,335 of uncollectible expense associated with gas cost in the deferred account. Further, we hereby approve the agreement reached between Piedmont and the Consumer Advocate related to a cap on the deposit to reinstate service. This cap is to be set at 64% of the two highest consecutive bills in the most recent 12 month period.

In addition, we hereby instruct Piedmont to allow reinstated customers to enter into reasonable payment arrangements in an attempt to recover uncollectibles. Any subsequent collections of these write-off accounts will be recorded as an offset against the \$590,335 in the deferred account.

We applaud the efforts of the Company, the Commission Staff, and the Consumer Advocate in reaching the agreement related to this Docket.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)